

AR25

Annual Report Fiscal 1973

GENERAL FOODS, LIMITED



Senior Officers

ROBERT S. HURLBUT
President

RONALD B. RHODES
Vice-President & General Manager
Grocery Division

BRIAN G. LARAGH
Vice-President & General Manager
Food Services Division

HERMAN F. NEFF
Vice-President, GFL
President, Hostess Food
Products Limited

JOSEPH B. DOYLE
Vice-President, Corporate Affairs

ROBERT W. HILLER
Vice-President, Finance

ALEX J. ALLISTON
General Counsel & Secretary

GERALD M. BENNETT
Treasurer

Directors

ROBERT S. HURLBUT
Chairman of the Board
President, General Foods, Limited

JOSEPH F. ABELY
Executive Vice-President
General Foods Corporation

JAMES W. ANDREWS
Group Vice-President
General Foods Corporation

JACK C. BARROW
Chairman of the Board and
Chief Executive Officer,
Simpson-Sears Limited

HÉRVÉ BELZILE
Président, Alliance Compagnie
Mutuelle d'Assurance-Vie

*KENDALL M. COLE
Vice-President & General Counsel
General Foods Corporation

*DONALD C. GIBSON
Vice-President & General Manager
General Foods, Limited

*DR. JAMES M. GILLIES
Member of Parliament
for Don Valley

RONALD B. RHODES
Vice-President & General Manager
General Foods, Limited

*Retired as directors during Fiscal '73.

PRESIDENT'S MESSAGE

This year is of special significance to General Foods, Limited because it marks our 65th year of business in Canada. Appropriately, we have devoted the theme section of this annual report to some glimpses into the company's Canadian heritage.

Solid Performance In a Difficult Year

Dominant characteristic of the overall economy in Fiscal '73 was a strong and persistent upward thrust in costs, ranging from raw materials to wages. This contributed to a dramatic rise in the overall food price index, which, in turn, generated wide consumer concern and a governmental inquiry into food prices.

Despite the inflationary pressures affecting the economy in general and the food industry in particular, we were able to maintain margins through application of new management techniques and increased productivity.

Net sales of General Foods, Limited and its subsidiaries reached \$212.8 million in the 52 weeks ended March 31, 1973, compared with \$192.6 million in the comparable period for the previous year. Net earnings from operations totalled \$10.3 million, up \$1.1 million from Fiscal '72.

Growth Opportunities In Coffee, Pet Foods

Of particular satisfaction was the fact that the year's performance showed strength and balance on all fronts. During the year under review, the company continued to reinforce its leadership by introducing new or improved products in the coffee, convenience dinner, dessert, snack, and pet food fields.

In response to growing consumer interest in decaffeinated coffee, we launched Brim nationally in both soluble and ground form. Brim appeals to those who prefer a rich-flavoured coffee and it makes an ideal running-mate for our milder Sanka, the original General Foods' decaffeinated brand and still the leader in this rapidly-expanding market.

Another high-growth sector with great potential is pet food. To keep in the forefront of this market, we are undertaking the construction in Cobourg, Ontario of a \$7 million plant for the manufacture of soft-moist dog foods. When this facility is completed in late 1974, it will dramatically expand output of soft-moist products pioneered by General Foods. During the past year General Foods also established its first pet research kennel in Can-

ada and nationally introduced Prime, a chunky soft-moist dog food.

In Fiscal '73 our Hostess subsidiary brought several new snack products to the market, including Chip Dip Mix and Mini Pretzels; the Grocery Products Division introduced nationally a promising line of five dry-ingredient dinner mixes called Hamburger MealMaker; White Spot continued to expand its Kentucky Fried Chicken franchise in British Columbia, adding eight new units; and, in Metro Toronto, the Food Services Division began test-marketing a new concept in steak-and-ale houses under the name Crock & Block.

Initiatives Reflect Nutrition Concern

General Foods believes that its responsibilities as a corporate citizen include leadership and participation in programs which contribute to the betterment of Canadian life. In Fiscal '73, for example, it organized and financed Operation Humber, a meaningful environmental improvement project employing young people; it established Singers Over Sixty, a unique choir for senior citizens; and it responded positively to the growing public concern over nutrition by publishing, as a public service, an informative give-away booklet on proper eating habits, balanced nutrition, and how to achieve the 'right' weight. It is also co-operating with Agriculture Canada in testing high-protein oats, a Canadian development which holds great promise for the cereal industry.

Looking Forward With Confidence

In the past six years, General Foods, Limited has almost doubled its sales, and more than doubled its work force and payroll across Canada. We can look forward to continued growth, despite increasing pressures, because of measures taken which should continue to improve overall productivity and keep prices and product lines in competitive trim. But, most of all, we can be confident because we have good, capable people at all levels in the organization.



President





This year General Foods celebrates 65 years as a Canadian citizen. It can look back on solid and progressive achievements since 1908.

Many of the company's original products, which captured the loyalty of consumers in the early 1900s—Jell-O desserts, Maxwell House coffees and Grape-Nuts cereal—remain popular items in today's shopping baskets.

The seed for GF's growth in Canada was planted with the establishment of Canadian production facilities for two of North America's first "health" foods.

In 1908, enterprising businessman Charles William Post, watching sales of his Postum and Grape-Nuts brands skyrocket around the world, decided to build a second processing plant—this time outside the U.S.

And so, the Canadian Postum

Cereal Company was launched in Windsor, Ontario.

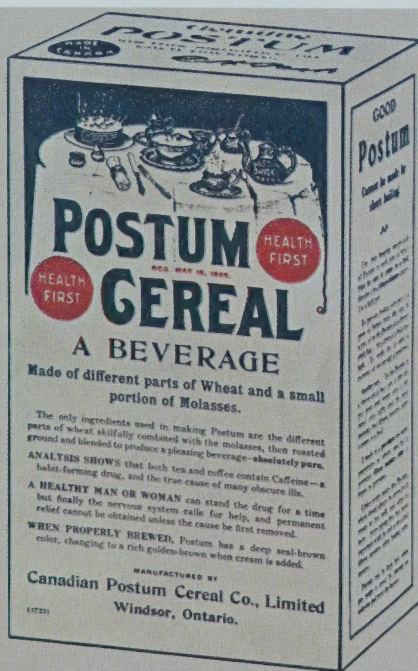
With \$68 for raw materials, Mr. Post had developed Postum Cereal, a beverage mix made of wheat and a small portion of molasses, in the 1890's.

His package read: "The only ingredients used in making Postum are the different parts of wheat skilfully combined with molasses, then roasted, ground and blended to produce a pleasing beverage—absolutely pure. Analysis shows that both tea and coffee contain caffeine—a habit-forming drug and the true cause of many obscure ills."

Postum quickly won enthusiastic acceptance as "health food".

On the heels of Postum's success, Post introduced Grape-Nuts, his second "health food". His packages carried the dramatic but effective warning: "Do not cook this food."

So novel and so radical were Post's nutritional claims that, in 1904, a Canadian government department undertook a study of a number of pre-cooked cereal products. Grape-Nuts came out on top; in fact,



it delivered even more goodness and more nutrition than it promised.

Post succeeded in building a world-wide market for his products by 1900. He continued experimenting with unique concepts of advertising and marketing—creating his own magazine and newspaper advertisements and, whenever possible, writing every word of the copy.

Always attention-getting, often bizarre, his ads were selling Postum and Grape-Nuts in China, the Middle East, and Great Britain by 1905.

Because of increasing demand in North America and throughout the world, he established his new Windsor plant.

The timing was ideal. Rapid growth in the Canadian West, booming wheat trade, and a swelling population, were strong incentives for developing Canadian business.

The potential was intriguing others as well.

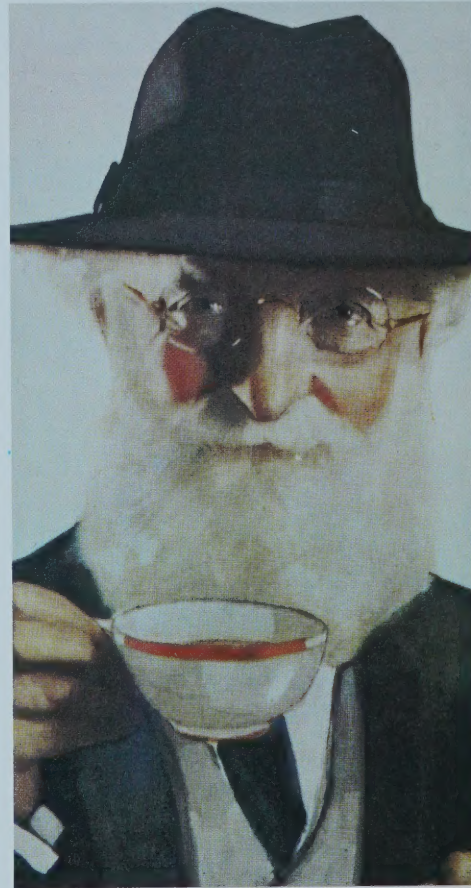
About the same time, a U.S. entrepreneur by the name of Orator Woodward was looking to Canada as an ideal place to locate a new plant for his Genesee Pure Food Company.

Some years before, Woodward had gambled \$450 on a gelatin dessert. At one stage, the venture was doing so poorly that he tried in vain to sell it to one of his employees for \$35.

Fortunately he persisted in his efforts and by the turn



**The
Red-Coat
is comin'**



**At
the Front
in
France**





of the century the product—Jell-O—had caught the fancy of consumers. Demand swelled and Jell-O was on its way to becoming one of the world's most famous desserts.

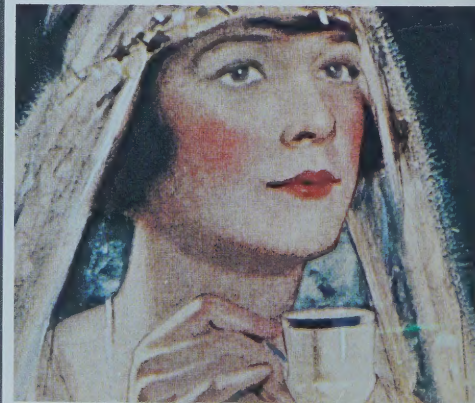
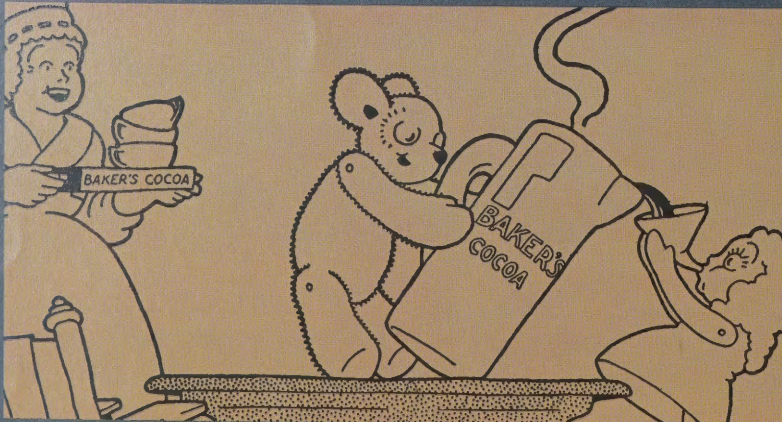
In 1909, Woodward established a Canadian plant for Genesee Pure Food at Bridgeburg (now Fort Erie, Ontario) solely to produce Jell-O.

Other developments were also taking place that ultimately played a part in the evolution of General Foods. Another enterprise with a strong background in packaged grocery goods, the Walter Baker Chocolate Company of Canada, was making plans to establish a Montreal plant.

Already a popular brand name for some 100 years, Baker's Breakfast Cocoa was the first product to come off the Montreal production line in 1911. Its introduction in Canada was significant in that it was one of the earliest packaged, and advertised, convenience foods.

Meanwhile, Postum continued its aggressive penetration of the beverage market with the launch of Instant Postum Beverage in 1911.

Because it simply required the addition of boiling water, it was a landmark product; it was the first of a host of "instant" foods designed to serve the needs of more active and mobile customers.





Meanwhile, in Rochester, New York, a Scottish immigrant named Robert Douglas was painstakingly cooking apple cores, trying to extract a food substance that would successfully jell preserves.

In 1912 he succeeded and began producing a pectin product called Certo. His company, too, would eventually contribute to the creation of General Foods.

With World War I came an unexpected new market for the Post organization. Because of their popularity at home, Postum and Grape-Nuts became popular staple items for troops in trenches in Belgium and France.

At the same time, industrial expansion was creating new market opportunities. Postum launched a series of new products including Post Toasties; Post Tavern Special, a porridge; and Post Sugar Crisp, a corn flake cereal similar to Post Toasties.

After the War ended in 1918, economic expansion in Canada was dramatic. This, along with the low-tariff opportunities offered by British Commonwealth trade, intrigued pectin manufacturer Robert Douglas.

He sent his right-hand man, Richard Mohan, across Lake Ontario by regular ferry service to the fashionable resort town of Cobourg to look for a plant site.

Mohan, a Canadian by birth and a former Queen's University lecturer, found a vacant munitions plant that appeared to be just right. The area's apple orchards promised ample supplies of raw materials.

Within a few months, Douglas had the plant in operation and was ready for production. From that year on, sales of Canadian-made pectin have been significant.

The 1920s brought trying times to the Canadian Postum operation. Sales, handled by food brokerage firms, were sluggish and profits slim.

The man who was finally able to turn the business around was Reginald Ker McIntosh, the son of a Toronto miller and breakfast cereal manufacturer.

McIntosh was managing the Battle Creek Toasted Corn Flake Company in London, Ontario when, by chance, two directors of the U.S. Postum Cereal Company heard him address a wholesalers' convention. Impressed, they hired him on the spot as general sales manager for their Canadian operation.

Luckily, McIntosh got strong assistance from the introduction of two new products. In 1922 and 1923, Post Corn Flakes and Post Bran Flakes developed impressive volumes.

In 1923 a new consumer product was introduced by Douglas Pectin at Cobourg—Certo liquid pectin. Certo offered homemakers new economy, speed and assurance in the preparation of jams and jellies. Once again, the company had been able to pinpoint a convenience product which met a real consumer need.

By 1924 profits for the Canadian Postum Cereal Company had again begun to climb. Encouraged, McIntosh hired the company's first salesman in Winnipeg and opened the first sales office in Toronto.

Then, in 1925, the company launched a series of acquisitions that radically increased its activities in the food industry.

The effects were dramatic.

During the next few years, the Postum Cereal Company acquired the Genesee Pure Food Company and its Jell-O products, the Walter Baker Chocolate Company, the Douglas Pectin operation and a host of other firms.

Postum acquired Cheek-Neal Coffee Company, makers of Maxwell House Coffee, in 1928. Famous in the southern United States, Maxwell House was virtually unknown in Canada. Almost immediately, a Maxwell House roasting and packing operation was established at the Montreal plant of Walter Baker. Three salesmen were hired to introduce the brand to the grocery trade and its growth in sales never looked back.

In 1929, on the eve of the Great Depression, a new era began for the Postum organization. It was incorporated as General Foods.

Since then, the company has grown from its 'branch plant' beginnings into a broadly-diversified, thoroughly Canadian operation.

Its expansion has included, for example, entry into the pet food field in 1945; the burgeoning snack food market in the 1950s and the restaurant, fast food and catering business in the 1960s.

General Foods can look back on its first 65 years in Canada as an impressive era of progress and development.

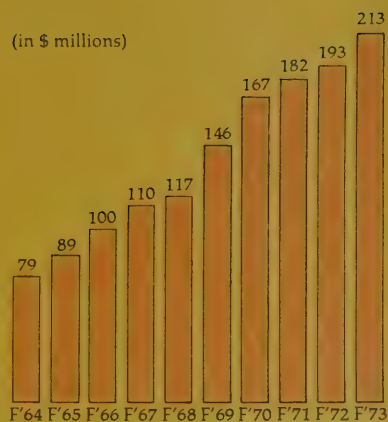
**General
Foods,
Limited**
and subsidiary
companies

**10-Year
Summary**

Net Sales

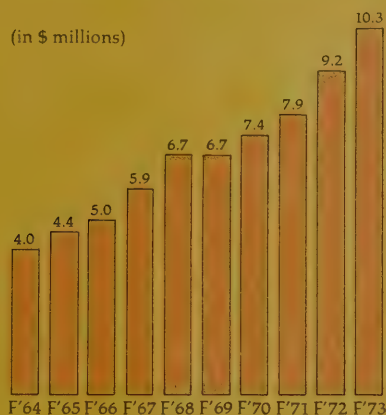
Total sales in the F'73 year were \$213 million, a new milestone in GF's participation in the Canadian economy as sales passed the \$200 million mark for the first time.

All major businesses contributed to the overall 10 per cent growth, with outstanding progress being made by the restaurant and snack foods operations.



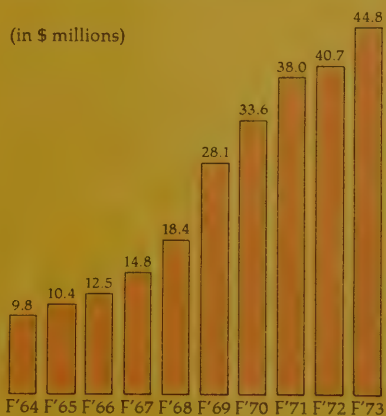
Net Earnings

Earnings from operations recorded a new plateau in the Company's growth when they exceeded \$10 million for the first time. In the past ten years, earnings have increased at an average rate of 11 per cent, slightly below the sales average increase of 12 per cent due to rising costs and intense competition.



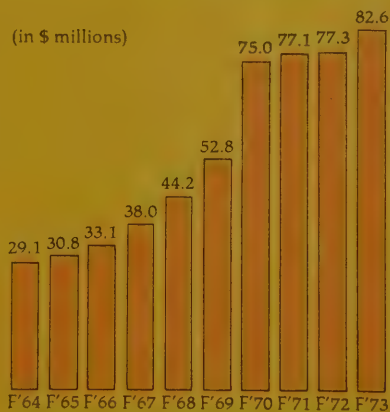
Salaries, Wages and Benefits

At the end of F'73, GF provided employment for over 5,800 Canadians, an increase of 5.6 per cent during the year. A total of \$44.8 million was paid in salaries, wages and benefits to our employees. The increase on the year was consistent with the overall rate of business growth, but the total paid amounts to more than 4½ times that of nine years ago.



Funds Invested

The funds invested to support the sales, earnings and employment results totalled nearly \$83 million at the end of the year, as compared to \$29 million in F'64. This increasing investment typifies the Company's continuing confidence in its consumer franchises and the future of its operations in Canada.



**General
Foods,
Limited**
and subsidiary
companies

**Five-Year
Progress
Report**

(all \$ amounts
expressed in
thousands)

Fiscal Years	1973	1972	1971	1970	1969
Earnings					
Net Sales - - - - -	\$212,758	\$192,620	\$181,816	\$166,652	\$145,854
Cost of Sales - - - - -	131,582	118,804	112,253	100,953	89,192
Marketing, General, Administrative and Interest Expenses - - - -	62,198	56,325	53,951	50,279	43,106
Earnings before Income Taxes* - -	19,157	17,636	15,747	15,656	13,775
Taxes on Income - - - - -	8,828	8,401	7,818	8,181	7,018
Net Earnings*- - - - -	10,329	9,235	7,929	7,475	6,757
Dividends Declared - - - - -	3,725	2,905	2,354	2,275	2,180
Earnings Reinvested in the Business	6,604	5,216	5,575	4,850	4,577

Assets, Liabilities and Shareholders' Equity

Inventories - - - - -	\$ 30,532	\$ 25,840	\$ 22,419	\$ 21,496	\$ 18,441
Other Current Assets - - - - -	17,423	17,709	16,467	14,907	10,382
Current Liabilities - - - - -	33,646	33,929	31,563	28,646	28,968
Working Capital - - - - -	14,309	9,620	7,323	7,757	(145)
Land, Buildings, Equipment, At Cost	100,421	96,812	94,558	88,301	70,136
Land, Buildings, Equipment, Net -	59,986	59,653	61,450	59,338	44,340
Long-Term Liabilities - - - - -	6,095	8,623	13,297	17,334	358
Shareholders' Equity - - - - -	71,824	65,220	60,004	54,429	49,579

Capital Program

Capital Additions, Gross - - - - \$	6,932	\$ 5,980	\$ 7,585	\$ 19,444	\$ 15,615
Depreciation- - - - -	4,669	4,563	4,491	4,022	3,507

Employment Data

Wages, Salaries and Benefits - - - \$	44,835	\$ 40,720	\$ 38,089	\$ 33,648	\$ 28,155
Number of Employees - - - - -	5,863	5,550	5,176	4,739	4,386

*Excluding: in Fiscal 1972 an extraordinary loss of \$1,928,000 before tax and \$1,114,000 after tax.
in Fiscal 1970 an extraordinary loss of \$727,000 before tax and \$350,000 after tax.



**Consolidated
Statement
of Earnings
and Retained
Earnings**

(all dollar
amounts expressed
in thousands)

	52 weeks ended March 31, 1973	52 weeks ended April 1, 1972
NET SALES - - - - -	\$212,758	\$192,620
OTHER INCOME - - - - -	179	145
	<u>212,937</u>	<u>192,765</u>
COSTS AND EXPENSES:		
Cost of sales - - - - -	131,582	118,804
Marketing, general and administrative expenses	61,339	55,076
Interest expense (Note 4) - - - - -	859	1,249
	<u>193,780</u>	<u>175,129</u>
EARNINGS BEFORE INCOME TAXES AND EXTRAORDINARY LOSS - - - - -	19,157	17,636
TAXES ON INCOME (Note 6) - - - - -	8,828	8,401
EARNINGS BEFORE EXTRAORDINARY LOSS - - - - -	10,329	9,235
EXTRAORDINARY LOSS, NET OF TAX - - - - -	-	1,114
NET EARNINGS - - - - -	10,329	8,121
RETAINED EARNINGS AT BEGINNING OF PERIOD - - -	42,520	37,304
	<u>52,849</u>	<u>45,425</u>
CASH DIVIDENDS:		
Preferred shares - - - - -	125	125
Common shares - - - - -	3,600	2,780
	<u>3,725</u>	<u>2,905</u>
RETAINED EARNINGS AT END OF PERIOD - - - - -	<u>\$ 49,124</u>	<u>\$ 42,520</u>

**Consolidated
Statement
of Source
and Use of
Funds**

(all dollar
amounts expressed
in thousands)

	52 weeks ended March 31, 1973	52 weeks ended April 1, 1972
SOURCE OF FUNDS:		
Net earnings - - - - -	\$10,329	\$ 9,235*
Depreciation - - - - -	4,669	4,563
Provision for deferred income taxes - - - - -	1,206	522
Amortization of goodwill (Note 3) - - - - -	192	99
FUNDS DERIVED FROM OPERATIONS - - - - -	<u>16,396</u>	<u>14,419</u>
USE OF FUNDS:		
Capital additions—net - - - - -	5,002	4,458
Cash dividends - - - - -	3,725	2,905
Repayment of long-term liabilities - - - - -	2,528	4,674
Other items—net - - - - -	452	85
	<u>11,707</u>	<u>12,122</u>
INCREASE IN WORKING CAPITAL - - - - -	4,689	2,297
WORKING CAPITAL AT BEGINNING OF PERIOD - - -	9,620	7,323
WORKING CAPITAL AT END OF PERIOD - - - - -	<u>\$14,309</u>	<u>\$ 9,620</u>

*Before deducting extraordinary loss of \$1,114,000.

PRINCIPAL PRODUCTS

COFFEES

Maxwell House Instant Coffee; Maxim Freeze-Dried Instant Coffee; Maxwell House Roasted Coffee; Sanka Decaffeinated Instant Coffee; Sanka Decaffeinated Freeze-Dried Coffee; Sanka Decaffeinated Roasted Coffee; Yuban Instant Coffee; Yuban Roasted Coffee; Brim Decaffeinated Instant and Roasted Coffee.

OTHER BEVERAGES

Tang Flavour Crystals; Start Flavour Crystals; Sun-Up Breakfast Drink; Awake Orange Drink; Kool-Aid Instant Drink Mix; Sugar Sweetened Kool-Aid Instant Drink Mix; Instant Postum Cereal Beverage; Minute Breakfast; Jiffy Instant Chocolate; After Five Cocktail Mixes.

DESSERTS

Jell-O Jelly Powder; Jell-O 1-2-3; Jell-O Pudding & Pie Filling; Jell-O Instant Pudding; Jell-O Pie Filling; Whip 'n Chill; D-Zerta Low Calorie Pudding; D-Zerta Low Calorie Jelly Powder; Dream Whip Dessert Topping Mix; Cool Whip Whipped Topping; Bird's Custard Powder.

POST CEREALS

Grape-Nuts; Grape-Nuts Flakes; Bran Flakes; Alpha-Bits; Sugar Crisp; Honeycomb; Crispy Critters; Crispy Numbers; Treat Pak.

BAKING INGREDIENTS

Baker's Semi-Sweet Chocolate Chips; Baker's Milk Chocolate Chips; Baker's Unsweetened Chocolate; Baker's Semi-Sweet Chocolate; Baker's Sweet Chocolate; Baker's Breakfast Cocoa; Baker's Coconut products; Calumet Baking Powder; Swans Down Cake Flour.

PET FOODS

Gaines Meal; Gravy Train; Rally Dog Food; Gaines•burgers; Top Choice; Gaines Prime.

OTHER GROCERY PRODUCTS

Shake 'n Bake Coating Mixes; Minute Rice; Minute Rice Mixes; Minit Tapioca; Certo Crystals and Liquid Certo Fruit Pectins; Good Seasons Salad Dressing Mixes; Roast 'n Boast Oven Cooking Bag and Sauce Mix; Hamburger MealMaker; LaFrance.

HOSTESS AND SCOTTIES SNACK PRODUCTS

Potato Chips (regular and flavoured); Corn Chips; Cheese Sticks; Corn Puffs; Pretzels; Hickory Sticks; Popcorn; Nuts.

INSTITUTIONAL PRODUCTS

Institutional-sized packs of GF and other products for food service customers — restaurants, hotels, schools, hospitals, etc. Individual-serving beverage envelopes and products for the vending machine industry.



Consolidated Balance Sheet

(all dollar
amounts expressed
in thousands)

	March 31 1973	April 1 1972
Assets		
CURRENT ASSETS:		
Cash - - - - -	\$ 1,232	\$ 1,724
Receivables - - - - -	15,122	14,827
Inventories, at lower of cost or market - - - -	30,532	25,840
Prepaid expenses - - - - -	1,069	1,158
CURRENT ASSETS - - - - -	47,955	43,549
LAND, BUILDINGS AND EQUIPMENT (Note 2) - - -	59,986	59,653
OTHER ASSETS - - - - -	1,031	579
GOODWILL (Note 3) - - - - -	7,276	7,468
TOTAL - - - - -	\$116,248	\$111,249

Liabilities and Shareholders' Equity

CURRENT LIABILITIES:		
Bank indebtedness - - - - -	\$ 7,426	\$ 10,791
Notes payable - - - - -	3,000	3,750
Accounts payable and accrued liabilities - - -	19,646	15,308
Income taxes payable - - - - -	603	887
Parent and affiliated companies (net) - - - -	2,967	3,073
Current portion of long-term liabilities - - -	4	120
CURRENT LIABILITIES - - - - -	33,646	33,929
LONG-TERM LIABILITIES (Note 4) - - - - -	6,095	8,623
DEFERRED INCOME TAXES - - - - -	4,683	3,477

SHAREHOLDERS' EQUITY:

Capital stock

Authorized—

100,000 5% non-cumulative redeemable
preferred shares
with a par value
of \$100 each

20,000 common shares with a par value
of \$100 each

Issued—

25,000 preferred shares - - - - -	2,500	2,500
2,000 common shares - - - - -	200	200
Capital surplus - - - - -	20,000	20,000
Retained earnings - - - - -	49,124	42,520
SHAREHOLDERS' EQUITY - - - - -	71,824	65,220
TOTAL - - - - -	\$116,248	\$111,249

Notes to Consolidated Financial Statements

March 31, 1973

1. BASIS OF CONSOLIDATION:

The consolidated financial statements include the accounts of General Foods, Limited and all subsidiary companies.

	March 31 1973	April 1 1972
2. LAND, BUILDINGS AND EQUIPMENT:		
Land - - - - -	\$ 7,889,000	\$ 8,655,000
Buildings - - - - -	32,984,000	32,202,000
Machinery and equipment - - - - -	58,759,000	55,046,000
Construction work in progress - - - - -	789,000	909,000
	<u>100,421,000</u>	<u>96,812,000</u>
Less: Accumulated depreciation - - - - -	<u>40,435,000</u>	<u>37,159,000</u>
	<u>\$ 59,986,000</u>	<u>\$59,653,000</u>

The fixed assets are carried at cost except that certain assets related to Burger Chef restaurants are carried at estimated realizable values.

3. AMORTIZATION OF GOODWILL:

Goodwill in the amount of \$7,568,000 is being amortized by equal annual charges to earnings.

	March 31 1973	April 1 1972
4. LONG-TERM LIABILITIES:		
Term bank loans of General Foods, Limited, repayable after March 31, 1974 - - - - -	\$6,000,000	\$8,500,000
Other - - - - -	99,000	243,000
	<u>6,099,000</u>	<u>8,743,000</u>
Less: Amount included with current liabilities - - - - -	<u>4,000</u>	<u>120,000</u>
	<u>\$6,095,000</u>	<u>\$8,623,000</u>

Interest expense on long-term debt in fiscal 1973 amounted to \$380,000 (fiscal 1972—\$719,000).

5. REMUNERATION OF DIRECTORS AND OFFICERS:

At March 31, 1973 the Company had eight directors and eleven officers, three of whom were also directors. For fiscal 1973, aggregate direct remuneration of directors and officers amounted to \$8,100 and \$425,000, respectively.

6. INCOME TAXES:

Income taxes have been provided for based on the proposed lower rate of tax for manufacturing and processing income earned since January 1, 1973. If this income tax legislation is not passed into law additional taxes of \$239,000 will be payable.

Auditors' Report

Price, Waterhouse & Co.

To the Shareholders of
General Foods, Limited:

We have examined the consolidated balance sheet of General Foods, Limited and its subsidiary companies as at March 31, 1973 and the consolidated statements of earnings and retained earnings and source and use of funds for the fiscal year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1973 and the results of their operations and the source and use of their funds for the fiscal year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto,
May 11, 1973

Price Waterhouse & Co.
Chartered Accountants



General Foods, Limited, 2200 Yonge Street, Toronto, Ontario